

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 17710
[Redacted],)		
)	DECISION
Petitioner.)	
_____)	

On August 27, 2003, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers), proposing income tax, penalty, and interest for taxable years 1999 through 2001 in the total amount of \$3,226.

The taxpayers filed a timely protest. They did not submit additional information or request an informal conference. The Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

When the Bureau could find no record of the taxpayers' 1999 through 2001 Idaho individual income tax returns, the Bureau sent the taxpayers a letter advising them of the missing returns and asking them for an explanation. The taxpayers did not respond.

[Redacted] Idaho Code § 63-3045 (1)(a) states:

63-3045. Notice of redetermination or deficiency -- Interest. (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

Because the taxpayers did not file state income tax returns, the Bureau prepared provisional returns and issued a deficiency notice. The taxpayers answered the notice in a letter signed by [Redacted] stating:

We are sending this protest on the grounds that we are being over taxed because we have business expenses and interest deductions that have not been declared.

Our accountant has been out of town for the last three weeks and will be back in October 29, 2003, when we have a chance to show him what we need we will contact you and get this matter settled.

Thank you very much.

The Bureau sent the taxpayers a letter to acknowledge their protest and ask them to provide their individual and partnership returns by November 7, 2003. The returns did not arrive, and the taxpayers' file was transferred to the Legal/Tax Policy Division of the Tax Commission for administrative review.

The Tax Appeals Specialist sent the taxpayers a letter advising them of their appeal rights and responsibilities. The taxpayers did not respond in any way.

The Idaho resident income tax returns the Bureau prepared on behalf of the taxpayers were based on income information gleaned [Redacted] and the records retained by the Tax Commission. The Tax Commission's information confirmed [Redacted] was a partner in an Idaho company during all the year at issue. In addition to being a partner, she received wages from that company in excess of the filing requirement.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no information in support of their argument, the taxpayers have failed to meet

their burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayers have provided nothing that would dissuade the Tax Commission from accepting the Bureau's determination of Idaho income and Idaho income tax for tax years 1999 through 2001. The penalty and interest additions were calculated in conformity with Idaho Code §§ 63-3045 and 63-3046.

WHEREFORE, the Notice of Deficiency Determination dated August 27, 2003, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1999	\$ 552	\$138	\$153	\$ 843
2000	326	82	64	472
2001	1,440	360	173	<u>1,973</u>
			TOTAL	<u>\$3,288</u>

Interest is computed through May 1, 2004.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of taxpayers' right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2004.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE BY MAIL

I hereby certify that I have on this ____ day of _____, 2004, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]
[Redacted]

[Redacted]
